

# Business Line Oil Additives

**Evonik**  
**Resource Efficiency Segment**

October 2014



**EVONIK**  
INDUSTRIES

# Evonik Group

## 22 Business Lines grouped in 3 segments



### Nutrition & Care



**Sales**  
€4,924 m



**Adj. EBITDA / Margin**  
€1,435 m / 29.1%

Animal Nutrition

Baby Care

Health Care

Personal Care

Household Care

Comfort & Insulation

Interface & Performance



### Resource Efficiency



**Sales**  
€4,279 m



**Adj. EBITDA / Margin**  
€896 m / 20.9%

Silica

Crosslinkers

**Oil Additives**

Coating & Adhesive Resins

High Performance Polymers

Active Oxygens

Silanes

Coating Additives

Catalysts



### Performance Materials



**Sales**  
€3,435 m



**Adj. EBITDA / Margin**  
€309 m / 9.0%

Performance Intermediates

Acrylic Polymers

Acrylic Monomers

Functional Solutions

Agrochemicals & Polymer Additives

CyPlus Technologies

2015 financials; Business Lines ranked by turnover

October 2014

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## Oil Additives at a glance

Leading global supplier of unique, high performance lubricant, fuel and refinery additives



#1

supplier of resource  
efficient viscosity modifiers

25

largest lubricant  
companies are all Evonik  
customers

5%

R&D ratio (incl. technical  
service)

>5 million

tons of CO<sub>2</sub> emissions  
avoided through the use of  
our technologies

GDP++

annual sales growth  
over last 10 years

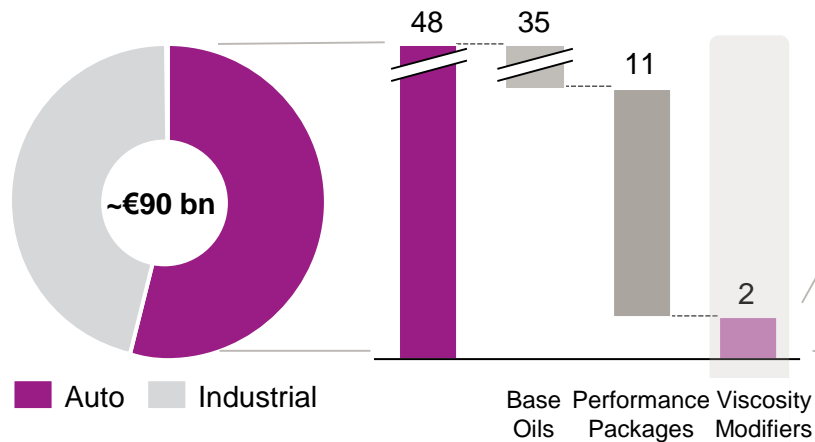
75%

diversity in management  
positions

# Facts & figures

## Well positioned in lubricant additives market

### Lubricant market (in € bn)



### Competitors



#1-2

#### Main competitors

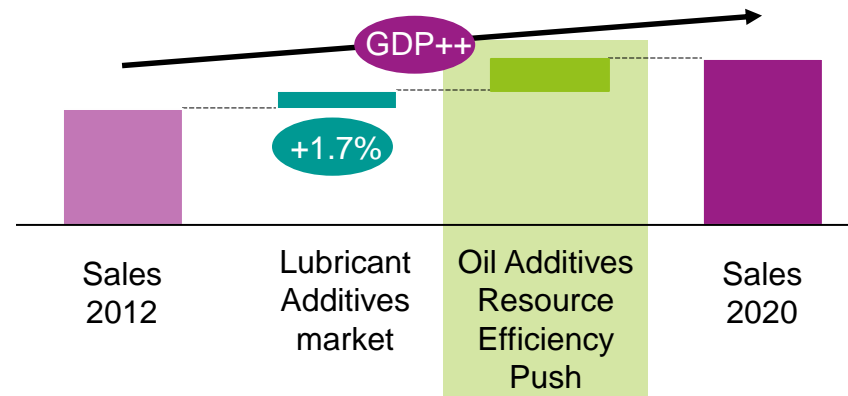
*Lubrizol*

*Infineum*

**Oronite**

*Afton*  
CHEMICAL

### Market growth

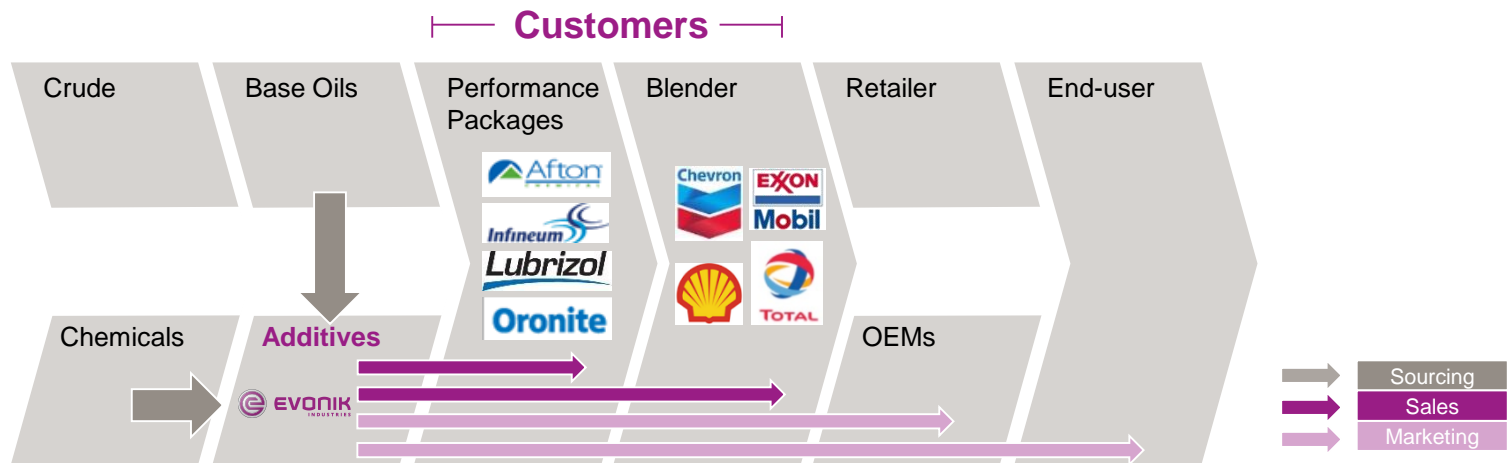


# Facts & figures

Integrated supply chain with high customer intimacy and OEM reputation



## Integrated supply chain with downstream relationships



- Integrated global supply chain and production network
- Technical support for customers, own R&D and product development capabilities
- Downstream OEM and end-user relationships and reputation

# Facts & figures

Enabling our customers to improve resource efficiency of their products



A **DYNAVIS®** technology formulated hydraulic fluid saves up to **25%** with heavy stone milling.



**DRIVON™** technology for transmission and engine oils can save the value chain up to **€ 600** per car.



**NUFLUX™** technology for wind turbine gear oils deliver reliability, extended service life and reduce “oil cost” by up to **20%**

# Facts & figures

Broad product portfolio improving friction, wear and flow performance of base fluids



## Main products

Viscosity Index Improvers (VII)

Pour Point Depressants (PPD)

Cold Flow Improvers for Biodiesel

Synthetic Base Fluids

## Application examples



**Automotive:** engine oil additives contribute to fuel economy, engine cleanliness and reduced wear.



**Heavy machinery:** additives in hydraulic fluids improve cold temperature performance and fuel economy.



**Aviation:** hydraulic fluids with improved fire resistance, reliability and safety.



**Wind turbines:** Gear oils for maximized energy yield and minimized wear in gearboxes.



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# Key success factors

Tailor-made solutions based on deep understanding of customers' needs



## Global reach

- 5 production plants around the globe
- 5 technical service facilities
- Sales force in >35 countries
- Strong Key Account Management

## Technology leadership

- Core competencies include:
  - Deep understanding of applications
  - Hydrocarbon fluid viscometrics, rheology and tribology
  - Polymer design

## Customer intimacy

- Novel technologies for formulation components and base fluids
- Tailor-made products improve friction, wear and flow performance
- Application- and solution-driven
- Strong focus on technical service
- Strong brand positioning



# Customer intimacy

## Example "DYNAVIS inside"



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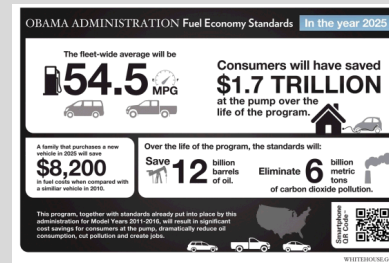
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# Future growth drivers

Efficiency increases important criteria  
for lubricant customers

## Efficiency increases are key to

- ▶ mitigate increase in emissions
- ▶ meet future governmental emission limits
- ▶ prolong lubricant life



## Customers and competitors are focusing on efficiency and sustainability



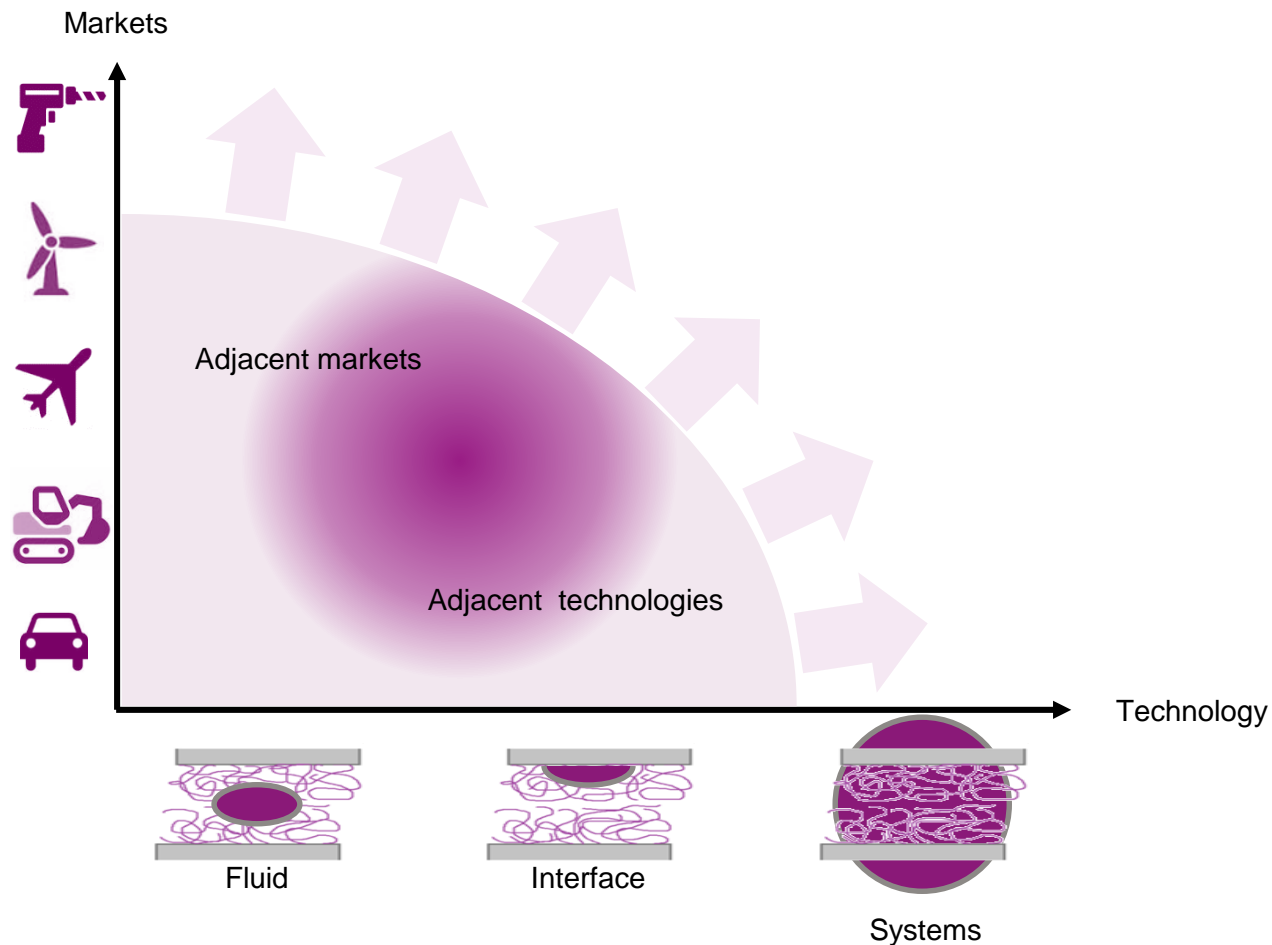
## Efficient lubricants will also play a more critical role to enable the use of renewable energies



Resource  
efficient  
lubricants  
require higher  
concentrations  
of performance  
additives

# Future growth drivers

## Broadening the scope of our portfolio



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# Summary

Oil Additives well positioned to drive sustainable and profitable growth



- Leading global supplier of unique, high performance lubricant, fuel and refinery additives
- Integrated supply chain with high customer intimacy and OEM reputation
- Tailor-made solutions based on deep understanding of customers' needs
- Well positioned to drive future growth by
  - Resource Efficiency push in existing market,
  - and broadening of the portfolio into adjacent markets and technologies





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